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Washington Office

ALA American Library Association

May 14, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

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MAY 15 1996

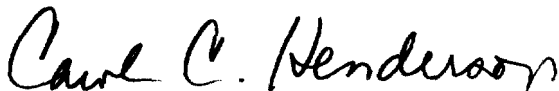
Re: Ex Parte Presentation
CC Docket No: 96-46
Federal-State Joint Board on Universal Service

PROCESSED BY THE FCC

Dear Mr. Caton:

On Tuesday, May 14, 1996, in response to a request of the Common Carrier Bureau, Carol Henderson and Andrew Magpantay of the American Library Association (ALA) made a presentation on library uses of telecommunications technology to the technical staff of the Commission as provided in the attachment. This presentation summarized ALA's recommendations in this proceeding. Walter Bolter, ALA's economic and telecommunications consultant, helped with the presentation and was available to answer questions. Lynne Bradley and Rick Weingarten of ALA also were present to answer questions.

Sincerely,



Carol C. Henderson, Executive Director
American Library Association

Attachment

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American Library Association Recommendations on Universal Service

CC Docket 96-45
May 14, 1996

Libraries and Universal Service

- ▶ Libraries are instruments of universal service.
- ▶ Libraries provide the American public with access to the full panoply of electronic information resources available either commercially or in the public domain.

Library operating expenditures

- ▶ 40% of libraries had budgets < \$50,000
- ▶ 54% had budgets < \$100,000
- ▶ Only 9.6% had budgets > \$1,000,000

Libraries and Universal Service

- ▶ Good News (NCLIS 1996)
 - 44.6% of public libraries are connected to the Internet.
 - Connectivity could exceed 60% by 1997.
- ▶ Bad News (NCLIS 1996)
 - Only 23.6% of connected libraries offer graphical WWW interfaces.
 - Libraries serving populations under 25,000 less likely to be connected.

American Library Association Recommendations

- ▶ Special services to include all telecommunications services available commercially.
- ▶ Attention to high bandwidth, interactive applications in libraries and schools.
- ▶ Discount rates for core and special services defined as the lower of:
 - 1) the lowest price offered to any customer or
 - 2) a fair cost price based on the service's total long run incremental cost (TSLRIC)

American Library Association Recommendations (con't)

- ▶ Additional discount support for libraries in high cost or low income areas.
- ▶ Core universal services that support residential Internet access.
- ▶ Terms and conditions that are
 - Efficient
 - Provide accountability
 - Include libraries and schools that participate in cooperative arrangements

The Definition of Special Services

Special services for libraries and schools should include all telecommunications services available commercially by tariff or through contract.

Advantages of a Broad Definition of Special Services

- Flexibility
 - Libraries offering Internet services (NCLIS 1996)
 - 48% offer access through their OPAC, 38% through a LAN, 14% other.
 - 73% offer 56 kbps, 18% T1, 9% other.
 - only 23.6% offer graphical WWW interfaces
 - 52% of library facilities are located outside metropolitan areas. (NCES 1995)
- Self-advancing
- Technologically neutral
- Minimizes regulatory burdens

Emphasis on High Bandwidth Applications

THE WALL STREET JOURNAL.

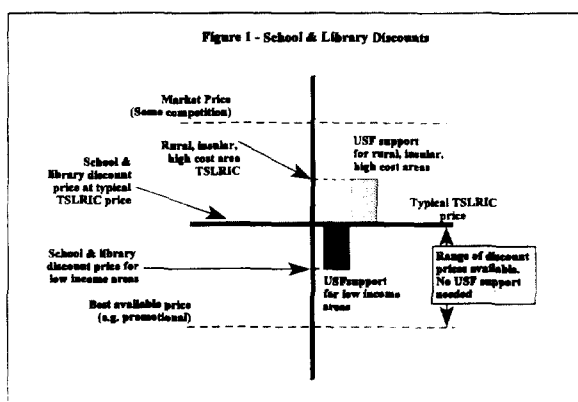
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WEDNESDAY, DECEMBER 27, 1995

	DIAL-UP (14.4 Kbps)	ISDN (56 Kbps)	ADSL (1.5 Mbps)	DATA OVER CABLE (4 Mbs)
Simple Image (2 Mb)	2.3 minutes	35.7 seconds	1.3 seconds	0.5 seconds
Complex Image (15 Mb)	18.5 minutes	4.8 minutes	10.7 seconds	4 seconds
Short Animation/ Video (72 Mb)	1.4 hours	21.5 minutes	48 seconds	18 seconds
Long Animation/ Video (4.3 Gb)	3.5 days	21.4 hours	48 minutes	18 minutes

ALA Discount Proposal

ALA Discount Proposal



Discounted Rates

Mandated by law in order to bring access and use to the community.

The discount rate for libraries and schools should be the lower of the total service long run incremental cost for the service or the lowest price offered commercially.

Note: The increment being measured is the service. The time frame is long-run.

Advantages of the ALA Discount Proposal

- ▶ A TSLRIC calculation can be made and should already exist for commercially available services.
- ▶ TSLRIC covers the full economic cost of the service, including cost of capital. (Pricing at TSLRIC ensures added direct revenues covers added direct cost.)
- ▶ Eliminates the need for a large USF and minimizes providers' contributions towards such a fund.
- ▶ Is largely self-monitoring.
- ▶ Is consistent with State and international proposals.

Additional support for libraries in high cost and low income areas

- ▶ High end services are critical to these communities, but will be difficult to obtain.
- ▶ Libraries are at the leading edge of technology deployment.

Terms and Conditions

- ▶ Certification and eligibility requirements should
 - Be efficient,
 - Provide accountability
 - Include libraries and schools that participate in cooperative arrangements.

Problems With Other Filers' State Certification Plans

- ▶ Inserts an eligibility requirement for libraries and schools that is counter to the intent and wording of the law.
- ▶ Transfers decision making from the community to state and federal levels.
- ▶ Creates new layer of administrative processes for libraries and schools.
- ▶ Expands FCC and PUC roles inappropriately into local education and library policy making.

Local Control and Oversight

Accountability for use of these discounts rests in the hands of those best equipped to exercise it, local library administrators and boards.

Flexible Eligibility and Certification Requirements

- ▶ Collaborative arrangements should be allowed and encouraged.
- ▶ Certification procedures should be simple and straightforward.
- ▶ Resale rules should distinguish between telecommunication facilities and services.
- ▶ Separation of telecommunications costs between eligible and ineligible consortia members is being done.

Library Consortia

Examples

- ▶ Carnegie Public Library, Pittsburgh, PA
- ▶ Lincoln Trail Libraries, East Central, IL
- ▶ North Boston Library Exchange, Boston, MA
- ▶ ACLIN, Colorado

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